RNS
22 September 2021

Plant Health Care plc
("Plant Health Care", the "Group" and the "Company")

Interim Results 2021 and update on Current Trading

Plant Health Care® (AIM: PHC.L), a leading provider of novel patent-protected biological products to global agriculture markets, announces its unaudited interim results for the six months ended 30 June 2021.

Financial Highlights

- Revenue for the six months ended 30 June 2021 increased 13% year-on-year to $3.5 million (H1 2020: $3.1 million).
- Cash operating expenses* increased 17% to $4.2 million (H1 2020: $3.6 million).
- Cash used in operations decreased 29% to $1.5 million (2020: $2.1 million).
- Adjusted LBITDA** increased to $2.3 million (2020: $1.8 million).
- In March of 2021, the Group raised $9.1 million (net of expenses).
- Cash and cash equivalents including investments of $11.1 million at 30 June 2021 (31 December 2020: $4.1 million).

Operational Highlights

- Harpin revenue increased by 26% to $2.4 million from $1.9 million.
    - Sales in EMEAA of $1.3 million were up 76% on H1 2020.
    - In-market sales in the US showed continued strong growth but sales from PHC were flat at $0.6 million, as customer inventory reduced further.
    - Sales to Brazil for sugar cane ($0.3 million) were affected by drought
- Covid-19 has impacted sales growth in Brazil and Mexico by limiting field promotion activities.
- Preparation for the launch of Saori™ (PHC279) in Brazil is advancing well. The regulatory submission of PHC279 in the USA is on track, with approval expected in Q3 2022.
- Preparing for next PRE*tec* (PHC949) regulatory submission in late 2021 with approval expected by mid-2023.

Dr Christopher Richards, Chief Executive Officer, commented:

"In-market Harpin $\alpha\beta$ sales growth in the first half of 2021 were most encouraging. Our distributors in the USA have reported growing product adoption, in line with the prior year, in both corn and specialty crops. Sales from PHC to the US distributors are mostly made in the final quarter of the year.

Sales in Europe grew strongly, particularly in citrus in Spain and in potatoes and the turf market in the UK. In Brazil, in-market sales of H2Copla have been held back by drought and limitations on the company's technical promotion effort caused by the latest wave of Covid-19.

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Sales in Mexico were held back by low export prices and Covid-19. The world remains an uncertain place, as shown by the effects of Covid-19 on sales in Brazil and Mexico. The Board expects trading for the full year to be in line with management expectations. Following the successful equity raise in March 2021, the Board has approved measured investments to accelerate the market entry of PHC279 and PHC949, which are expected to pay back in 2023 & 2024. The Board intends to maintain a conservative approach to cash management, targeting cash breakeven within existing cash reserves."

*Cash operating expenses are defined as expenses excluding depreciation, amortization, share-based payments and intercompany currency adjustments.

**Adjusted LBITDA: loss before interest, tax, depreciation, amortisation, shared-based payments and intercompany currency adjustments.

In this document, references to "the Company" are to Plant Health Care plc. References to "Plant Health Care", "the Group", "we" or "our" are to Plant Health Care plc and its subsidiaries and lines of business, or any of them as the context may require. The Plant Health Care name and logo, Myconate, and Innatus and other names and marks appearing herein and on company literature are trademarks or trade names of Plant Health Care. All other third-party trademark rights are acknowledged.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014

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About Plant Health Care

Plant Health Care offers products to improve the health, vigour and yield of major field crops such as corn, soybeans, potatoes and rice, as well as specialty crops such as fruits and vegetables. We operate globally through subsidiaries, distributors and supply agreements with major industry partners. Our innovative, patent-protected biological products help growers to protect their crops from stress and diseases, and to produce higher quality fruit and vegetables, with a favourable environmental profile.

Find out more at Vox Markets and the company website: www.planthealthcare.com

Chief Executive Officer's statement

Introduction

Plant Health Care is at the heart of the movement towards sustainable food production. Our core products are derived from naturally occurring proteins; these 'Vaccines for plants'™, make crops healthier, grow better and withstand stress such as drought and disease. They provide growers with higher yield and better-quality crops, while having much lower impact on the environment than conventional agricultural chemicals. The award of LSE's Green Economy Mark in June 2021 confirms the Company's sustainability credentials.

Our Commercial business was profitable and cash generative in 2020 and is now poised to accelerate. The core product is Harpin $\alpha\beta$, which offers remarkable benefits to farmers

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in a wide range of crops. Over the last three years, we have repositioned Harpin *α*β and formed new partnerships with major distributors in high value target crops. We now have agreements in place with four of the world's largest distributors, giving us unrivalled market access. Launches since 2019 are now delivering accelerated on-ground sales, which will bring more consistent, balanced and profitable revenue growth for Plant Health Care.

In New Technology, we are now planning to launch a major new PRE*tec* product every year for the next three years pending regulatory approvals. PRE*tec* (Plant Response Elicitor Technology) is a novel, environmentally friendly approach to growing crops more sustainably. PRE*tec* is a platform technology, generating multiple peptide products which, stimulate the plants' natural defence systems and result in improved crop yield and quality. After eight years and an investment of more than $24 million, the Company will launch Saori, the first PRE*tec* product, in Brazil during the second half of 2021. Launches in the USA will follow in 2022 and 2023. Together with subsequent launches, we are targeting markets which have a value of greater than $5 billion. The Company has developed a global scientific lead in the use of peptides for agriculture, with the first patents now granted in the US and is accelerating low-cost commercial scale production with toll manufacturers.

The Company raised $9.2 million (net of costs) in March 2021, in a fund-raise which was heavily over-subscribed; cash reserves at 30th June, 2021 were $11.1 million. Our aim is to take the Group to cash positive quickly within our existing cash reserves, while investing to drive sales growth and launch multiple products from the PRE*tec* platform over the coming years.

Commercial Products

Our Commercial business markets our proprietary product Harpin *α*β worldwide through distributors and also distributes complementary third-party products alongside our own products in Mexico. Sales of Myconate will be phased out due to increased production cost which cannot be recovered in price. Harpin-based products are well established in certain niche markets, with more rapid expansion into the larger row crop markets. We recently announced a new distribution agreement with Agrii, the leading distributor in the UK for exclusive access to Harpin αβ in all crops within the UK. With this expanded distribution, PHC now has access to markets covering more than 41 million hectares, with strong, committed partners. In addition, we recently announced the registration approval of Harpin *α*β for use on corn and soybeans in Argentina. We continue to expand our market access through collaborations with very large distributors which will be the foundation for steady market growth.

During the first half of 2021, overall product sales were $3.5 million (H1 2020: $3.1 million). Sales of Harpin *α*β increased by 26% to $2.4 million. The gross margin decreased to 56% (H1 2020: 59%) due to currency fluctuations in Mexico. Our first half working capital improved $0.4 million versus year ended 31 December 2020.

Global Harpin αβ YTD on ground sales are 25% higher in the first half of 2021, than in all of 2020. This is great news for our business and demonstrates strong in-market growth of Harpin αβ.

Sales in EMEAA increased by 76% to $1.3 million (H1 2020: $0.7 million). In the UK, sales into the potato market ($0.3 million) doubled from 2020 levels. Sales in Spain increased 69% (54% in constant currency) through increased sales into the citrus markets.

Sales in the US saw strong on ground sales demand in the first half of this year.

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Consumption of Harpin αβ in corn was up over 24% versus 2020 driven by strong product performance. Harpin αβ is now used on nearly 1% of US corn acres.

Harpin αβ on ground sales in the US specialty market (fruits and vegetables) in the first half were double that of 2020 full year sales, which is above the target we set for the 2021 season. This is a great success by the team working with our strong partner in Wilbur Ellis and reinforces our commitment to partnering with large distributors who can create demand for technology like Harpin αβ.

In Brazil, we continue to see great performance from Harpin αβ applications on sugar cane. First half in-market sales of H2Copla were affected by drought in Brazil plus limitations on customer visits related to increased COVID incidents. However, Harpin αβ performed exceptionally well under these drought conditions and we expect these results to help drive product adoption for the next season in 2021.

Sales in Mexico decreased 7% to $1.3 million (H1 2020 $1.4 million); driven by reduced domestic and export demand for fresh fruit and vegetables due to Covid-19. Sales of Harpin αβ were $0.3 million (H1 2020: $0.2 million); third party sales were $1.1 million (H1 2020: $1.2 million).

The expansion of Plant Health Care relationships with large distributors has given us greater visibility of on-ground sales plus broad access to specialty and row crop markets. This has driven supply chain efficiencies and should continue to lead to more consistent growth in our revenues.

New Technology **(PRE*tec* products*)***

PRE*tec* is a platform technology, with the potential to generate many products, offering a wide range of specific grower benefits. Our aim is to deliver a major PRE*tec* product launch every year for the next three years pending regulatory approvals; then to invest to further expand the product range. In total, we are targeting market opportunities worth more than $5 billion annually.

The PRE*tec* 'vaccines for plants' act by stimulating the plant's own natural defence mechanisms. Inspired by natural proteins, these peptides can be customised to target features such as growth promotion, disease resistance or drought stress. Since 2012, our research efforts have brought forward six lead products, from three major platforms. The Innatus 3G platform targets growth and disease resistance. The T-Rex 3G platform targets nematode defence, while the Y-Max 3G platform delivers increased yield and growth.

Launching Saori in Brazil, first PREtec product

Saori is the brand name for PHC279, which will be launched in Brazil in the second half of 2021. The Brazilian authorities approved Saori in only 12 months, compared with up to six years for a conventional agrochemical; they recognized both the effectiveness and the sustainability profile of the product.

Brazil is the world's largest exporter of soybeans, with some 38 million hectares planted in 2020. One of the challenges of producing soybeans in Brazil is disease; growers spent $2.85 billion in 2020 on soybean fungicides in Brazil.

In trials with 16 independent advisors in the 2020/21 crop season, soybeans treated with Saori showed increased vigour and better control of a wide range of diseases, compared with conventional treatments. The average yield increase was about 4%; significantly more, up to 5.8% at some treatment rates in areas of drought stress or high disease pressure. Brazilian soy farmers spend more than $2.85 billion on fungicides annually; the promise of Saori is to protect the soy crop from Asian Soy Rust and other diseases, resulting in higher soy yields for the grower. Limited volumes of Saori will be available for commercial sales in 2021.

PREtec product launches in the USA

In November of 2020, the Company signed a Joint Development Agreement with Wilbur Ellis, one of the largest distributors of crop protection products in the USA. The two companies are collaborating on the development and launch of products based on four PRE*tec* peptides, for use in specialty crops (fruits and vegetables) in the USA.

PHC279 is progressing through the regulatory process in the EPA (US Environmental Protection Agency), with approval expected in mid-2022. Early season observations demonstrated good control of late blight in potatoes; first commercial sales are expected in late 2022.

PHC949, from the T-Rex 3G nematode control platform, is showing exceptional results; nematode control is often comparable to chemical standards, which is a remarkable for a highly sustainable, biological product. The Company anticipates submitting to EPA for regulatory approval before the end of 2021, with approval expected in mid-2023.

We are also evaluating PHC404 and PHC414 with Wilbur Ellis; these are biostimulant products. They are showing promise in promoting yield and quality in a range of fruit, tree and vegetable crops.

Further PREtec products in development

The Company is making plans to extend the development of PRE*tec* products in Europe and elsewhere over the coming years. Europe, which is the world's largest market for sustainable agriculture with annual sales of over $2 billion, is an attractive opportunity for PRE*tec*. The regulatory regime for biological products within Europe, however, remains unclear and complex. The timing of submissions and approvals in Europe is therefore still under study. Substantial opportunities exist for PRE*tec* products in countries of South America outside Brazil and in other Regions. These will be pursued as resources permit.

Manufacturing PREtec peptides

Commercial product for the launch of Saori in Brazil has been produced at a pilot-scale facility at Pennsylvania State University. Plans are well advanced with toll manufacturers to establish full commercial production of PHC279; the Group expects to make an announcement on manufacturing arrangements before the end of 2021. Commercial production of PHC949 is being trialed with the same toll manufacturers. Toll production of other PRE*tec* peptides will follow, as launches progress.

Intellectual property

Plant Health Care has filed more than 50 patent applications worldwide for its PRE*tec* peptide technology since 2012. Nine US patents have been granted by the US Patent and Trademark Office (USPTO) since 2020. Additional patents are expected to be granted in the US and internationally in 2022. The Group is confident that we are establishing strong intellectual property protection, in key countries around the world.

Summary of financial results

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Financial highlights for the six months ended 30 June 2021, with comparatives for the six months ended 30 June 2020, are set out below:

	2021	2020
	$'000	$'000
Revenue	**3,499**	3,100
Gross profit	**1,956**	1,814
Research and development	**(1,299)**	(1,114)
Sales and marketing	**(1,758)**	(1,268)
Administrative	**(1,198)**	(1,267)
Non-cash expenses	**(453)**	(371)
Intercompany foreign exchange gains/(loss)	**423**	(1,988)
Total operating expenses	**(4,285)**	(6,008)
Operating loss	**(2,329)**	(4,194)
Net finance (expense)/ income	**(27)**	181
Net loss for period before tax	**(2,356)**	(4,013)

Cash operating expenses increased $0.6 million to $4.2 million (H1 2020: $3.6 million).

The reconciliation of operating loss to LBITDA is as follows:

	2021	2020
	($'000)	($'000)
Operating loss	**(2,329)**	(4,196)
Depreciation/amortisation	**254**	351
Share-based payments	**199**	16
Intercompany foreign exchange (gains)/loss	**(435)**	2,025
Adjusted LBITDA	**(2,311)**	(1,804)

Revenue

Revenues for the six-month period ended 30 June 2021 were $3.5 million (H1 2020: $3.1 million) producing a gross profit of $2.0 million (H1 2020: $1.8 million) and the loss before tax was $2.4 million (H1 2020: $4.0 million). The gross profit margin was 56% (H1 2020: 59%). The reduction in gross margin was due to currency fluctuations in Mexico. Harpin revenue increased 26% (24% constant currency) to $2.4 million (H1 2020: $1.9 million). Harpin revenues were higher than prior year due to strong sales in the EMEAA potato & citrus markets and in the potato and pepper markets in Mexico.

Cash operating expenses

Operating expenses, excluding non-cash items, increased $0.6 million to $4.2 million (H1 2020: $3.6 million) due to increased personnel costs in sales and marketing and PRE*tec* product launch costs. Adjusted LBITDA increased $0.5 million to $2.3 million (H1 2020: $1.8 million) primarily due to increased Sales and Marketing and PRE*tec* product launch costs.

Operating expenses

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Operating expenses decreased by $1.7 million for the six-month period to $4.3 million (2020: $6.0 million). This is primarily due to $0.4 million of non-cash currency gains primarily related to a Pound Sterling loan with a subsidiary company (H1 2020: $2.0 million currency loss).

Cash position and liquidity

As of 30 June 2021, the Group had cash and investments of $11.1 million. Cash and costs continue to be tightly controlled.

Net cash outflows from operating activities decreased 26% to $1.5 million (H1 2020: $2.0 million). The decrease is due to improved working capital of $1.0 million. Included in the cash used in operations is a decrease in the Group's inventory, accounts receivable and accounts payable balances

Net cash flows from financing activities increased $8.8 million (H1 2020: $4.7 million). The increase is due to the March 2021 equity raise of $9.1 million (net of costs).

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group remain broadly consistent with the Principal Risks and Uncertainties reported in Plant Health Care's 31 December 2020 Annual Report. In addition, since then, the Board have been monitoring and mitigating the effects of the following international events on the Group's business:

<u>Going concern (including consideration of COVID-19)</u>

In carrying out the going concern assessment, the Directors have considered a number of scenarios, taking account of the possible continued impact of the COVID-19 pandemic, in relation to revenue forecasts for the next 12 months. Given the current uncertainties, it is not yet fully clear when the global economic activity will fully return to pre pandemic levels, therefore, we continue to prepare the business for varying levels of performance. To that end, we have continued to model the effects of differing levels of sales performance along with the measures we can take to ensure that the Group remains within its available working capital.

In reaching their going concern assessment, the Directors have considered the foreseeable future, a period extending at least 12 months from the date of approval of this interim financial report. This assessment has included consideration of the forecast performance of the business, as noted above, the payment of contingent consideration, and the cash and financing facilities available to the Group. Considering all this analysis, the Directors are satisfied that, the Group has sufficient cash resources over the period of at least 12 months from the date of approval of the interim consolidated financial statements. As such, the interim consolidated financial statements have been prepared on a going concern basis.

<u>Brexit</u>

The United Kingdom ("UK") formally left the European Union ("EU") on 30 January 2020. The transition period ended on 31 December 2020, where upon the UK-EU Trade & Cooperation Agreement (together with other connected Agreements concluded on by the UK and EU, which includes the Exchanging and Protecting of Classified Information Agreement) signed on the 24 December 2020 came into effect.

The UK currently represents some 3% of revenues for the Group and is not a manufacturing centre. As the Group operates subsidiaries in many countries, there are several channels available to us to continue business with the same customers, should

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the need arise, with little to no effect from Brexit changes. However, the Group continues to monitor the situation so it can manage the risk of any volatility in the global financial markets, which could arise due to Brexit, and the effect on global economic performance.

Current trading and outlook

The Board remains confident about the prospects for building a growing, profitable Commercial business, as sales of Harpin αβ continue to increase. We anticipate a strong second half of 2021 and are confident of achieving material revenue growth in 2021, despite macro-level market-driven challenges.

Preparations for the first launches of PHC279 are progressing to plan, with further PRE*tec* peptides following. The medium-term prospects for PRE*tec* peptides, in markets worth more than $5 billion, are very exciting.

The Board has reviewed the Company's cash position and concluded that we are able to achieve cash breakeven within existing cash resources. The Board will take whatever steps are necessary, including by reducing cash expenses, to achieve that.

Dr. Christopher Richards
Chief Executive Officer
21 September 2021

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Consolidated statement of comprehensive income
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	**Six months to 30 June 2021 (Unaudited) $'000**	Six months to 30 June 2020 (Unaudited) $'000
Revenue		**3,499**	3,100
Cost of sales		**(1,543)**	(1,286)
Gross profit		**1,956**	1,814
Research and development		**(1,500)**	(1,366)
Sales and marketing		**(1,758)**	(1,268)
Administrative expenses		**(1,027)**	(3,374)
Operating loss	4	**(2,329)**	(4,194)
Finance income		**25**	193
Finance expense		**(52)**	(12)
Loss before tax		**(2,356)**	(4,013)
Income tax expense		**(9)**	(14)
Net loss for the period		**(2,365)**	(4,027)
Other comprehensive income:			
Exchange difference on translation of foreign operations		**(446)**	1,444
Total comprehensive loss for the period		**(2,811)**	(2,583)
Basic and diluted loss per share	6	**$(0.01)**	$(0.02)

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Consolidated statement of financial position
AT 30 JUNE 2021

	Note	**30 June 2021 (Unaudited) $'000**	31 December 2020 (Audited) $'000
Assets			
Non-current assets			
Intangible assets		**1,623**	1,625
Property, plant and equipment		**613**	246
Right-of-use		**762**	970
Trade and other receivables		**156**	303
Total non-current assets		**3,154**	3,144
Current assets			
Inventories		**3,077**	3,567
Trade and other receivables		**2,406**	2,778
Tax Receivable		**-**	251
Investments	3	**9,547**	3,167
Cash and cash equivalents		**1,556**	982
Total current assets		**16,586**	10,745
Total assets		**19,740**	13,889
Liabilities			
Current liabilities			
Trade and other payables		**1,698**	2,118
Short term lease liabilities		**371**	400
Short term borrowings		**64**	33
Total current liabilities		**2,133**	1,759
Non-current liabilities			
Long term lease liabilities		**415**	583
Long term borrowings		**213**	193
Total non-current liabilities		**628**	776
Total liabilities		**2,761**	3,327
Total net assets		**16,979**	10,562
Capital and reserves attributable to owners of the Company			
Share capital		**4,294**	3,605
Share premium		**100,859**	92,520
Foreign exchange reserve		**(1,718)**	(1,271)
Retained deficit		**(86,456)**	(84,292)
Total equity		**16,979**	10,562

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Consolidated statement of cash flows
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June 2021 (Unaudited) $'000	Six months ended 30 June 2020 (Unaudited) $'000
Cash flows from operating activities		
Loss for the year	**(2,365)**	(4,029)
Adjustments for:		
Depreciation of property, plant and equipment	**45**	168
Depreciation of right-of-use assets	**207**	161
Amortisation of intangibles	**2**	22
Share-based payment expense	**199**	16
Finance income	**(4)**	(126)
Finance expense	**52**	11
Foreign exchange on intercompany	**(435)**	1,460
Decrease in trade and other receivables	**776**	903
Gain on disposal of fixed assets	**(5)**	-
Decrease/(Increase) in inventories	**490**	(324)
Decrease in trade and other payables	**(421)**	(273)
Net cash used in operating activities	**(1,459)**	(2,011)
Investing activities		
Purchase of property, plant and equipment	**(364)**	(2)
Sale of property, plant and equipment	**20**	-
Finance income	**21**	67
Purchase of investments	**(8,077)**	(2,733)
Sale of investments	**1,674**	1,098
Net cash (used)/provided by investing activities	**(6,726)**	(1,570)
Financing activities		
Finance expense	**(23)**	(2)
Lease payments	**(226)**	(190)
Issue of ordinary share capital	**9,029**	4,449
Proceeds from unsecured loan	**-**	448
Net cash provided/(used) by financing activities	**8,780**	4,705
Net increase/(decrease) in cash and cash equivalents	**595**	1,124
Effects of exchange rate changes on cash and cash equivalents	**(21)**	-
Cash and cash equivalents at beginning of period	**982**	457
Cash and cash equivalents at end of period	**1,556**	1,581

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Notes to the unaudited financial information

1 General information

Plant Health Care plc is a company incorporated and domiciled in England. The unaudited interim financial information of the Group for the six months ended 30 June 2021 comprise the Company and its subsidiaries (together referred to as the "Group").

The Board of Directors approved this interim report on 22 September 2021.

2 Basis of preparation and accounting policies

These interim consolidated financial statements have been prepared using accounting policies based on international accounting standards in conformity with the requirements of the Companies Act 2006. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 31 December 2020 Annual Report. The financial information for the half years ended 30 June 2021 and 30 June 2020 does not constitute statutory accounts within the meaning of Section 434 (3) of the Companies Act 2006 and both periods are unaudited.

The annual financial statements of Plant Health Care Plc ('the Group') are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The statutory Annual Report and Financial Statements for the year ended 31 December 2020 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for this year end was unqualified, did not draw attention to a matter by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 31 December 2020 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2021 and will be adopted in the 2021 financial statements. There are deemed to be no new and amended standards and/or interpretations that will apply for the first time in the next annual financial statements that are expected to have a material impact on the Group.

Going Concern

The interim consolidated financial statements have been prepared on a going concern basis. The ability of the Group to continue as a going concern is contingent on the ongoing viability of the Group. The Group meets its day-to-day working capital requirements through its cash and investment balances. The continued impact of the global Covid pandemic means governments are continuing to enforce varying restrictions on people movements and international travel, together with other precautionary social distancing measures. This has resulted a need to consider whether budgets and targets previously set are realistic in light of these events

The Directors have prepared cash-flow forecasts covering a period of at least 12 months from the date of approval of these interim financial statements, with the forecasts and projections, taking account of reasonable possible changes in trading performance. They show that the Group expects to be able to operate within the level of its current cash and investment reserves. Furthermore, in carrying out the going concern assessment, the directors have considered a number of scenarios, taking account of the possible the continued impact of the pandemic, including changes in sales volumes and the timing of settlement of existing debts together with cost savings associated with these changes

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and the directors have the ability to identify further cost savings, if necessary, to help mitigate any impact on cash outflows.

Having assessed the principal risks and the other matters discussed in connection with the going concern statement, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting and deem there to be no emphasis over going concern, in preparing the financial information.

3 Investments

Investments comprise short-term investments in notes and bonds having investment grade ratings. These assets are actively managed and evaluated by key management personnel on a fair value basis in accordance with a documented investment strategy. They are carried at fair value as determined by quoted prices on active markets, with changes in fair values recognised through profit and loss.

4 Operating loss

	Six months to 30 June 2021 (unaudited) $'000	Six months to 30 June 2020 (unaudited) $'000
Operating loss is stated after charging:		
Depreciation	**252**	329
Amortisation	**2**	22
Share-based payment expense	**199**	16
Foreign exchange (gain)/loss	**(435)**	2,025

5 Segment information

The Group views, manages and operates its business according to geographical segments. Revenue is generated from the sale of agricultural products across all geographies.

Six months to 30 June 2021 (unaudited)

	Americas $'000	*Mexico $'000*	*Rest of World $'000*	*Elimination $'000*	*Total Commercial $'000*	*New Technology $'000*	*Total $'000*
Revenue*							
Proprietary product sales	838	285	1,303	-	2,426	-	2,426
Third-party product sales	18	1,055	-	-	1,073	-	1,073
Inter-segmental product sales	641	-	-	(641)	-	-	-
Total revenue	1,497	1,340	1,303	(641)	3,499	-	3,499
Cost of sales	(1,033)	(755)	(396)	641	(1,543)	-	(1,543)
Research and development	-	-	-	-	-	(1,206)	(1,206)
Sales and marketing	(887)	(392)	(384)	-	(1,663)	(138)	(1,801)
Administration	(348)	(102)	(42)	-	(492)	(49)	(541)
Non-cash expenses:							
Depreciation	(52)	(40)	(11)	-	(103)	(163)	(266)
Amortisation	-	-	(2)	-	(2)	-	(2)
Share-based payment	(26)	-	(11)	-	(37)	(90)	(127)
Segment operating	(849)	51	457	-	(341)	(1,646)	(1,987)

(loss)/profit	
Corporate expenses **	
Wages and professional fees	(737)
Administration ***	395
Operating loss	(2,329)
Finance income	25
Finance expense	(52)
Loss before tax	(2,356)

* Revenue from one customer within the Mexico segment totalled $550,000 or 16% of Group revenues.

** These amounts represent public company expenses for which there is no reasonable basis by which to allocate the amounts across the Group's segments.

*** Includes net share-based payments expense of $72,000 attributed to corporate employees who are not affiliated with any of the Commercial or New technology segments. Includes $0.4 million foreign exchange gains in non-US dollar denominated inter-company funding.

Six months to 30 June 2020 (unaudited)

	Americas $'000	*Mexico $'000*	*Rest of World $'000*	*Elimination $'000*	*Total Commercial $'000*	*New Technology $'000*	*Total $'000*
Revenue*							
Proprietary product sales	975	230	737	-	1,942	-	1,942
Third-party product sales	-	1,154	4	-	1,158	-	1,158
Inter-segmental product sales	353	-	46	(399)	-	-	-
Total revenue	1,328	1,384	787	(399)	3,100	-	3,100
Cost of sales	(655)	(721)	(309)	399	(1,286)	-	(1,286)
Research and development	-	-	-	-	-	(1,089)	(1,089)
Sales and marketing	(689)	(290)	(289)	-	(1,268)	-	(1,268)
Administration	(395)	(186)	(87)	-	(668)	(96)	(764)
Non-cash expenses:							
Depreciation	(47)	(35)	(7)	-	(89)	(240)	(329)
Amortisation	(19)	-	(3)	-	(22)	-	(22)
Share-based payment	-	-	-	-	-	(11)	(11)
Segment operating (loss)/profit	(477)	152	92	-	(233)	(1,436)	(1,669)
Corporate expenses **							
Wages and professional fees							(518)
Administration ***							(2,007)
Operating loss							(4,194)
Finance income							193
Finance expense							(12)
Loss before tax							(4,013)

* Revenue from one customer within the Mexico segment totalled $508,000 or 16% of Group revenues.
Revenue from one customer within the America's segment totalled $365,000 or 12% of Group revenues.

** These amounts represent public company expenses for which there is no reasonable basis by which to allocate the amounts across the Group's segments.

*** Includes net share-based payments expense of $5,000 attributed to corporate employees who are not affiliated with any of the Commercial or New technology segments. Includes $2.0 million foreign exchange losses in non-US dollar denominated inter-company funding.

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6 Loss per share

Basic loss per ordinary share has been calculated on the basis of the loss for the period of $2,365,000 (loss for the six months ended 30 June 2020: $4,027,000) and the weighted average number of shares in issue during the period of 280,828,375 (six months ended 30 June 2020: 238,510,886).

The weighted average number of shares used in the above calculation is the same as for total basic loss per ordinary share. Instruments that could potentially dilute basic earnings per share in the future have been considered but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented. This is due to the Group incurring losses on continuing operations for the period.

7 Cautionary statement

This document contains certain forward-looking statements relating to Plant health Care plc ('the Group'). The Group considers any statements that are not historical facts as "forward-looking statements". They relate to events and trends that are subject to risk and uncertainty that may cause actual results and the financial performance of the Group to differ materially from those contained in any forward-looking statement. These statements are made by the directors in good faith based on information available to them and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Copies of this report and all other announcements made by Plant Health Care plc are available on the Company's website at www.planthealthcare.com/for-investors.